

**Company Registration Number: 4498058**

**CUMBERNAULD FUNDING HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2009**

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**CUMBERNAULD FUNDING HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2009**

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# **CUMBERNAULD FUNDING HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

<b>Directors</b>	Mr S Masson Mr M McDermott Wilmington Trust SP Services (London) Limited
<b>Company secretary</b>	Wilmington Trust SP Services (London) Limited
<b>Company number</b>	4498058
<b>Registered office</b>	c/o Wilmington Trust SP Services (London) Limited 5 <sup>th</sup> Floor 6 Broad Street Place London EC2M 7JH
<b>Auditors</b>	Deloitte LLP London, United Kingdom
<b>Bankers</b>	HSBC Bank Plc 8 Canada Square London E14 5HQ

# **CUMBERNAULD FUNDING HOLDINGS LIMITED**

## **THE DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 NOVEMBER 2009**

The directors present their report and the financial statements of the Group for the year ended 30 November 2009

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Company, which remained unchanged during the year, is that of a special purpose company whose only activity is to hold investment in Cumbernauld Funding No 3 Plc

The principal activity of the Company's main subsidiary, Cumbernauld Funding No 3 Plc is the collection of interest and principal on their asset portfolios for use in servicing the notes in issue. During the year £200 million of loan notes were redeemed as per the term of prospectus.

During the year, Cumbernauld Funding No 1 plc and Cumbernauld Funding No 2 Plc, which were placed into liquidation in June 2008, have been dissolved.

The key performance indicator of the Group is considered to be the return before tax, achieved from the investment of funds raised from the issuance of Notes. The Group achieved a return of 0.01% for the year ended 30 November 2009 (2008: 0.01%). At the year end, the Group had net assets of £256,783 (2008: £271,824).

#### **RESULTS AND DIVIDENDS**

The results for the year and the Group's financial position at the end of the year are shown on pages 6 and 7. The directors have not recommended a dividend (2008: £nil).

#### **FUTURE DEVELOPMENTS**

The directors will continue to closely monitor the Group's progress. There were no significant events affecting the Group after the year end. The directors do not expect any significant changes in the operating activities of the Group or company after the year end.

#### **FINANCIAL INSTRUMENTS**

The Group's financial instruments comprise the investments, cash and cash equivalents, interest-bearing borrowings and various receivables and payables that arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments is undertaken.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing these and the other risks arising on the Group's financial instruments and they are disclosed in note 11.

#### **GOING CONCERN**

As disclosed in Note 1 to the accounts the directors continue to adopt the going concern basis for the preparation of the accounts.

# **CUMBERNAULD FUNDING HOLDINGS LIMITED**

## **THE DIRECTORS' REPORT (Continued)**

### **FOR THE YEAR ENDED 30 NOVEMBER 2009**

#### **THE DIRECTORS OF THE GROUP**

The directors, who served the Group throughout the year except where noted, were as follows

#### **Cumbernauld Funding Holdings Limited**

Mr M McDermott

Mr Sunil Masson

Wilmington Trust SP Services (London) Limited

#### **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

The directors confirm that

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each of the directors have taken all steps that they ought to have as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act of 2006

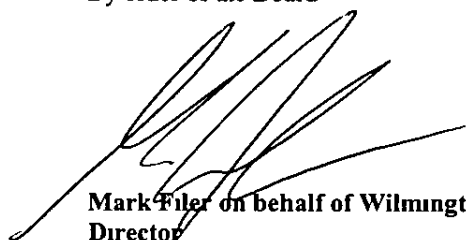
#### **CREDITOR PAYMENT POLICY**

The Group's policy concerning the payment of its trade creditors is to pay in accordance with its contractual and other legal obligations. Due to the nature of the business, the main creditors are the noteholders. Principal and interest are repaid on the due dates in accordance with the agreements in place.

#### **AUDITORS**

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Mark Filer on behalf of Wilmington Trust SP Services (London) Limited

Director

Date: 21 June 2010

# **CUMBERNAULD FUNDING HOLDING LIMITED**

## **FOR THE YEAR ENDED 30 NOVEMBER 2009**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUMBERNAULD FUNDING HOLDINGS LIMITED**

We have audited the Group and parent company financial statements (the "financial statements") of Cumbernauld Funding Holdings Limited for the year ended 30 November 2009 which comprise the Consolidated Profit and Loss Account, the Group and parent company Balance Sheets, the Consolidated Cash Flow Statement, Notes to the Consolidated Cash Flow Statement and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group and parent company's affairs as at 30 November 2009 and of the Group's loss for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Alan Chaudhuri*

**Alan Chaudhuri (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
21 June 2010

**CUMBERNAULD FUNDING HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 NOVEMBER 2009**

<b>Continuing activities</b>	<b>Notes</b>	<b>2009 £</b>	<b>2008 £</b>
<b>Turnover</b>	<b>1</b>	<b>92,319</b>	<b>105,950</b>
<b>Administrative expenses</b>		<b><u>(64,834)</u></b>	<b><u>(47,396)</u></b>
<b>Operating profit</b>	<b>4</b>	<b>27,485</b>	<b>58,554</b>
Loss on disposal of investment in subsidiary		(19,047)	-
Other interest receivable and similar income	2	20,145,317	27,241,978
Interest payable and similar charges	3	<u>(20,147,399)</u>	<u>(27,231,562)</u>
<b>Profit on ordinary activities before taxation</b>		<b>6,356</b>	<b>27,300,532</b>
<b>Tax on profit on ordinary activities</b>	<b>5</b>	<b><u>(21,397)</u></b>	<b><u>(19,495)</u></b>
<b>(Loss)/profit after taxation and retained profit for the financial year</b>	<b>14</b>	<b><u><u>(15,041)</u></u></b>	<b><u><u>49,475</u></u></b>

The Group has no recognised gains or losses other than the results for the current and prior years as set out above. Accordingly no statement of total recognised gains and losses has been prepared.

The notes on pages 10 to 18 form an integral part of these financial statements



**CUMBERNAULD FUNDING HOLDINGS LIMITED****BALANCE SHEETS****AS AT 30 NOVEMBER 2009**

	Notes	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
<b>Fixed assets</b>					
Investments	7	<u>400,000,000</u>	<u>12,501</u>	<u>600,025,001</u>	<u>37,502</u>
<b>Current assets</b>					
Debtors	8	758,746	22,138	1,219,123	178,851
Cash at bank and in hand		<u>390,119</u>	<u>132,386</u>	<u>200,445</u>	<u>-</u>
		1,148,865	154,524	1,419,568	178,851
<b>Creditors: amounts falling due within one year</b>	9	<u>(892,082)</u>	<u>(61,180)</u>	<u>(1,172,745)</u>	<u>(70,408)</u>
<b>Net current assets</b>		<u>256,783</u>	<u>93,344</u>	<u>246,823</u>	<u>108,443</u>
<b>Total assets less current liabilities</b>		<b>400,256,783</b>	<b>105,845</b>	<b>600,271,824</b>	<b>145,945</b>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(400,000,000)</u>	<u>-</u>	<u>(600,000,000)</u>	<u>-</u>
<b>Net assets</b>		<u>256,783</u>	<u>105,845</u>	<u>271,824</u>	<u>145,945</u>
<b>Capital and reserves</b>					
Called up share capital	12	1	1	1	1
Profit and loss account	13	<u>256,782</u>	<u>105,844</u>	<u>271,823</u>	<u>145,944</u>
<b>Shareholders' funds</b>	14	<u>256,783</u>	<u>105,845</u>	<u>271,824</u>	<u>145,945</u>

The financial statements were approved by the directors and authorised for issue on 21 June 2010 and are signed on their behalf by



Mark Eller on behalf of Wilmington Trust SP Services (London) Limited  
Director

The notes on pages 10 to 18 form an integral part of these financial statements

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2009

	Notes	2008 £	2008 £
<b>Net cash inflow/(outflow) from operating activities</b>	<b>A</b>	<b><u>232,418</u></b>	<b><u>(200,658)</u></b>
<b>Returns on investments and servicing of finance</b>			
Interest received		20,419,564	27,466,135
Interest paid		<u>(20,421,646)</u>	<u>(27,455,719)</u>
		<u>(2,082)</u>	<u>10,416</u>
<b>Taxation</b>			
Corporation tax (paid)/ received		<u>(46,616)</u>	<u>7,595</u>
<b>Financial investment</b>			
Receipts from sale of investments		5,954	-
Receipts from sale of unlisted investments		<u>200,000,000</u>	<u>-</u>
		<u>200,005,954</u>	<u>-</u>
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		<b><u>200,189,674</u></b>	<b><u>(182,647)</u></b>
<b>Financing</b>			
Repayment of loan notes		<u>(200,000,000)</u>	<u>-</u>
<b>Net cash outflow from financing</b>		<b><u>(200,000,000)</u></b>	<b><u>-</u></b>
<b>Increase/(decrease) in cash in the year</b>	<b>B</b>	<b><u>189,674</u></b>	<b><u>(182,647)</u></b>

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### (a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	27,485	58,554
Decrease/(increase) in debtors	460,377	(106,533)
Decrease in creditors falling due within one year	<u>(255,444)</u>	<u>(152,679)</u>
Net cash inflow/(outflow) from operating activities	<u>232,418</u>	<u>(200,658)</u>

#### (b) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009 £	2008 £
Increase/(decrease) in cash in the year	189,674	(182,647)
Net cash outflow/(inflow) from decrease/(increase) in debt	<u>200,000,000</u>	-
Movement in net debt	200,189,674	(182,647)
Opening net debt	<u>(599,799,555)</u>	<u>(599,616,908)</u>
Closing net debt	<u>(399,609,881)</u>	<u>(599,799,555)</u>

#### (c) ANALYSIS OF CHANGES IN NET DEBT

	1 December 2008 £	Cash Flows £	30 November 2009 £
Net cash:			
Cash in hand and at bank	200,445	189,674	390,119
Debt:			
Debt due within 1 year	-	-	-
Debt due after 1 year	<u>(600,000,000)</u>	<u>200,000,000</u>	<u>(400,000,000)</u>
Net debt	<u>(599,799,555)</u>	<u>200,189,674</u>	<u>(399,609,881)</u>

	1 December 2007 £	Cash Flows £	30 November 2008 £
Net cash:			
Cash in hand and at bank	383,092	(182,647)	200,445
Debt:			
Debt due within 1 year	-	-	-
Debt due after 1 year	<u>(600,000,000)</u>	-	<u>(600,000,000)</u>
Net debt	<u>(599,616,908)</u>	<u>(182,647)</u>	<u>(599,799,555)</u>

# **CUMBERNAULD FUNDING HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 NOVEMBER 2009**

#### **1. ACCOUNTING POLICIES**

##### **Basis of accounting**

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom company law and accounting standards

##### **Going Concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Principal Activities and Business Review on page 2. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the notes to the accounts. In addition, note 11 to the financial statements includes the Group's objectives, policies and processes for managing its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The company has adequate financial resources together with minimal credit and liquidity risks. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

##### **Basis of consolidation**

The consolidated profit and loss account, balance sheet and cash flow statement include the financial statements of the company and its subsidiary undertakings made up to 30 November 2009. Intra-group sales and profits are eliminated fully on consolidation.

##### **Turnover**

Turnover represents income for reimbursement of expenses of the Group and other fees receivable from the issuer of the Class A loan notes. Turnover is calculated on an accruals basis.

##### **Interest receivable and payable**

Interest receivable and payable are accounted for under the effective interest method ("EIR"). This is a method of calculating the amortised cost of a financial asset and of allocating interest over the period.

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 1. ACCOUNTING POLICIES

##### Investments

Fixed asset investments, classified as Loans and Receivables under FRS 26, are stated at amortised cost, less impairment, with interest calculated by the effective interest rate method. Fixed asset investments are represented by loan notes acquired by the Group. Investments are impaired if there is objective evidence of impact on estimated cash flows. Prior year interest receivable and payable has been reclassified to better conform with current year presentation.

##### Interest-bearing loans

Interest-bearing loans ("notes") are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

##### Embedded derivatives

Certain derivatives are embedded within other non-derivative host financial instruments to create a hybrid instrument. The embedded derivative is the option to redeem the loan note early, dependant on the value of the loan notes itself. Where the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host instrument, and where the hybrid instrument is not measured at fair value, the embedded derivative is separated from the host instrument with changes in fair value of the embedded derivative recognised in the income statement. Depending on the classification of the host instrument, the host is then measured in accordance with FRS 26 'Financial Instruments: Measurement'. The embedded derivatives within a Class A note and Class A loan notes are closely related and therefore do not require separation and separate valuation.

##### Functional currency

As the Group's functional currency and reporting currency are primarily Pound Sterling, the financial statements have been prepared using Sterling.

##### Segmental reporting

The principal asset of the Group is the investment in Class A Loan notes originated in the United Kingdom. The directors do not consider it necessary to provide a further analysis of the results of the Group from those already disclosed in these financial statements.

##### Offsetting financial assets and financial liabilities

Where there is a legal enforceable right to set off the recognised amounts and an intention to settle on a net basis or to realise the asset/liability simultaneously, financial assets and financial liabilities are offset and the net amount is presented on the balance sheet.

#### 2. INTEREST RECEIVABLE

	2009	2008
	£	£
Interest on Class A Loan Notes	20,144,654	27,231,336
Bank interest received	<u>663</u>	<u>10,642</u>
	<u>20,145,317</u>	<u>27,241,978</u>

#### 3. INTEREST PAYABLE

	2009	2008
	£	£
Interest on Class A notes	20,144,654	27,231,336
Interest on overdue tax	<u>2,745</u>	<u>226</u>
	<u>20,147,399</u>	<u>27,231,562</u>

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 4 OPERATING PROFIT

Operating profit is stated after charging

	2009	2008
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	4,700	4,600
The audit of the company's subsidiaries pursuant to legislation	16,450	16,450
Fees payable to the company's auditors for tax services	<u>5,750</u>	<u>5,750</u>

The company had no employees in the current or prior year and the directors received no remuneration during the year (2008 £nil)

#### 5. TAXATION

##### (a) Analysis of charge in the year

	2009	2008
	£	£
Current tax		
UK Corporation tax current year	13,008	19,495
UK Corporation tax priors' year adjustment	<u>8,389</u>	<u>-</u>
Total current tax	<u>21,397</u>	<u>19,495</u>

##### (b) Factors affecting current tax charge

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>6,356</u>	<u>68,970</u>
Profit on ordinary activities at the standard rate of corporation tax of 28%	1,780	19,312
Effects of		
Loss disposal of fixed assets	5,333	-
Intercompany balance w/off	5,719	-
UK Corporation tax prior years' adjustment	8,389	-
Other tax adjustments	<u>176</u>	<u>183</u>
Total current tax (note 5(a))	<u>21,397</u>	<u>19,495</u>

#### 6. (LOSS)/PROFIT FOR THE FINANCIAL YEAR

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The holding company's profit for the year is as follows

	2009	2008
	£	£
Holding company's (loss)/profit for the year	<u>(40,100)</u>	<u>147,281</u>

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 7. FIXED ASSET INVESTMENTS

	Group Unlisted investments £	Company Shares in group undertakings and unlisted investments £
<b>Cost</b>		
At 1 December 2008	600,025,001	37,502
Disposals	<u>(200,025,001)</u>	<u>(25,001)</u>
At 30 November 2009	<u>400,000,000</u>	<u>12,501</u>
<b>Net book value at 30 November 2009</b>	<u>400,000,000</u>	<u>12,501</u>
Net book value at 30 November 2008	<u>600,025,001</u>	<u>37,502</u>

The above unlisted investments of the Group consist of floating and fixed rate Class A Loan notes issued by the Cumbernauld Balance Growth Issuer Limited. During the year company disposed £200,000,000 investment at no gain or loss.

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Shares in Group Undertakings

The company has the following interests in Group undertakings

Company Subsidiary undertakings	Country of registration or incorporation	Class of Shares Held	Holding %
Cumbernauld Funding No 3 Plc	England and Wales	Ordinary	100

The principal activity of these undertakings for the last financial year was as follows

	Principal activity
Cumbernauld Funding No 3 Plc	Collection of interest and principal on its asset portfolio for use in servicing notes issued

#### 8. DEBTORS

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
<b>Amounts falling due within one year</b>				
Interest receivable	698,082	-	972,329	-
Other debtors	-	-	146,826	146,826
Prepayments and accrued income	<u>60,664</u>	<u>22,138</u>	<u>99,968</u>	<u>32,025</u>
	<u>758,746</u>	<u>22,138</u>	<u>1,219,123</u>	<u>178,851</u>

#### 9. CREDITORS: Amounts falling due within one year

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Interest payable	698,082	-	972,329	-
Corporation tax	13,008	-	38,227	882
Other creditors	134,180	39,043	76,702	37,501
Accruals and deferred income	<u>46,812</u>	<u>22,137</u>	<u>85,487</u>	<u>32,025</u>
	<u>892,082</u>	<u>61,180</u>	<u>1,172,745</u>	<u>70,408</u>

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 10. CREDITORS: Amounts falling due after more than one year

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Fixed rate loan notes	<u>400,000,000</u>	<u>-</u>	<u>600,000,000</u>	<u>-</u>
	<u>400,000,000</u>	<u>-</u>	<u>600,000,000</u>	<u>-</u>
<b>Loan notes maturity analysis</b>				
Due within one year	-	-	200,000,000	-
Due between one to two year	200,000,000	-	200,000,000	-
Due between two to five year	<u>200,000,000</u>	<u>-</u>	<u>200,000,000</u>	<u>-</u>
	<u>400,000,000</u>	<u>-</u>	<u>600,000,000</u>	<u>-</u>

#### Fixed rate notes

The following sterling notes are secured on the assets of the Group

	2009 £	2008 £
Notes as at 1 December	<u>400,000,000</u>	<u>600,000,000</u>
Notes as at 30 November	<u>400,000,000</u>	<u>600,000,000</u>

In 2006, loan notes totalling £600,000,000 were issued on the Irish Stock Exchange attracting a fixed rate interest charge of 4.55% which is equal to the weighted average interest rate of the corresponding fixed asset investment

These loan notes will mature in August 2014 but will be subject to mandatory or optional redemption under certain specified circumstances

#### 11. FINANCIAL RISK MANAGEMENT

The Group's financial instruments, comprise borrowings, cash balances and debtors and creditors, that arise directly from its operations. The Group has entered into transactions which consist principally of loan notes

The risks arising from the Group's activities are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks which are noted below

##### Currency risk

All of the Group's assets and liabilities are denominated in pound Sterling and therefore there is no foreign currency risk

##### Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Group minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. There is no material interest rate exposure

##### Credit risk

Credit risk arises where the borrower will not be able to meet their obligations as they fall due. The Class A loan notes are secured against credit card receivables held by HSBC Trustee (CI) Limited, as security trustee under the terms of a Security Trust Deed. The most significant concentration of credit risk is considered to be the Class A loan notes. At 30 November 2009, the principal amount outstanding was £400,000,000 (2008: £600,000,000). The maximum exposure to credit risk is represented by the carrying amount of the investment



# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 11. FINANCIAL INSTRUMENTS (continued)

##### Liquidity risk

The Group's policy is to maintain a strong liquidity position and to manage the liquidity profile of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due

The Group has matched the value of the notes issued with the fixed rate loan notes invested in. At the year end the entire portfolio of fixed rate notes issued was covered by assets whose maturity date did not exceed that of the notes issued

##### Categories of financial instruments

The following table provides a comparison of book values and fair values of the Group's financial assets and liabilities at 30 November. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine the fair values

Group At November 2009	Carrying Value 2009 £	Fair Value 2009 £	Carrying Value 2008 £	Fair Value 2008 £
Loans and Receivables	400,698,082	385,352,000	600,972,330	580,254,001
Cash	390,119	390,119	200,445	200,445
	<u>401,088,201</u>	<u>385,742,119</u>	<u>601,172,775</u>	<u>580,454,446</u>
Fixed rate loan notes	400,698,082	385,352,000	600,972,329	580,254,000
	<u>400,698,082</u>	<u>385,352,000</u>	<u>600,972,329</u>	<u>580,254,000</u>

##### Effective interest rates and contracted maturity

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at 30 November 2009 and the periods in which they mature

Group At November 2009	Effective interest rate (%)	Total £	In less than 3 months £	Due between 1 to 2 years £	Due between 2 to 5 years £	Non interest -bearing £
Assets						
Investments	4.55	400,698,082	-	200,000,000	200,000,000	698,082
Cash	-	390,119	390,119	-	-	-
		<u>401,088,201</u>	<u>390,119</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>698,082</u>
Liabilities						
Loan notes	4.55	400,698,082	-	200,000,000	200,000,000	698,082
		<u>400,698,082</u>	<u>-</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>698,082</u>

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 11. FINANCIAL RISK MANAGEMENT (continued)

##### Effective interest rates and contracted maturity (continued)

Group	Effective		In less than	Due between	Due between	Non interest
At November 2008	interest rate	Total	3 months	1 to 2 years	2 to 5 years	-bearing
Assets	(%)	£	£	£	£	£
Investments	4.55	600,972,330	-	200,000,000	400,000,000	972,330
Cash	-	200,445	200,445	-	-	-
		<u>601,172,775</u>	<u>200,445</u>	<u>400,000,000</u>	<u>400,000,000</u>	<u>972,330</u>

Group	Effective		In less than	Due between	Due between	Non interest
At November 2008	interest rate	Total	3 months	1 to 2 years	2 to 5 years	-bearing
Liabilities	(%)	£	£	£	£	£
Loan notes	4.55	600,972,329	-	200,000,000	400,000,000	972,329
		<u>600,972,329</u>	<u>-</u>	<u>200,000,000</u>	<u>400,000,000</u>	<u>972,329</u>

##### Embedded derivatives

In accordance with FRS 26 'Financial instruments Measurement', the company has reviewed all investments contracts and loan note terms for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to the Class A notes the Group has the ability to redeem the Class A notes in full or part at their then principal amount outstanding, together with interest accrued to the date of redemption, on any interest payment date. The Group effectively has a call option on the Class A notes exercisable on certain dates. The option constitutes an embedded derivative, however, as this is closely related to the underlying host contract (the loan notes) as set out in FRS 26, the option does not require separation.

A similar hybrid instrument arises on the investment whereby the company has effectively sold a put option on the Class A loan notes exercisable on certain dates. As this option is considered to be closely related to the underlying host contract, it does not require separation.

##### Fair value hierarchy

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset or liability as follows:

Level 1 - valued using quoted prices in active markets for identical assets or liabilities

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data. The valuation techniques used by the company are explained in the accounting policies note.

Group	Total	Level 1	Level 2	Level 3
As at 31 December 2009	£	£	£	£
<b>Financial assets</b>				
Investments	<u>385,352,000</u>	-	<u>385,352,000</u>	-
	<u>385,352,000</u>	-	<u>385,352,000</u>	-
<b>Financial Liabilities</b>				
Loan notes	<u>385,352,000</u>	<u>385,352,000</u>	-	-
	<u>385,352,000</u>	<u>385,352,000</u>	-	-

# CUMBERNAULD FUNDING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 12. CALLED UP SHARE CAPITAL

##### Authorised share capital:

	2009	2008
	£	£
100 (2008 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

##### Allotted, called up and fully paid:

	2009	2008
	£	£
1 (2008 1) Ordinary share of £1	<u>1</u>	<u>1</u>

#### 13. RECONCILIATION OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
At the start of the year	271,823	145,944	222,348	(1,337)
Retained (loss)/profit for the financial year	<u>(15,041)</u>	<u>(40,100)</u>	<u>49,475</u>	<u>147,281</u>
At the end of the year	<u>256,782</u>	<u>105,844</u>	<u>271,823</u>	<u>145,944</u>

#### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Retained (loss)/profit for the financial year	(15,041)	(40,100)	49,475	147,281
Opening shareholders' funds/(deficit)	<u>271,824</u>	<u>145,945</u>	<u>222,349</u>	<u>(1,336)</u>
Closing shareholders' funds	<u>256,783</u>	<u>105,845</u>	<u>271,824</u>	<u>145,945</u>

#### 15. EMPLOYEES (including directors)

There were no employees during the year (2008 nil), the company having contracted for the provision of services under a Corporate Services Agreement

Therefore no emoluments, salaries or wages have been paid or are due (2008 £nil) There were no emoluments or salaries paid or are to due to directors (2008 £nil)

#### 16. CONTROLLING PARTY

Wilmington Trust SP Services (London) Limited holds the sole share in Cumbernauld Funding Holdings Limited under a declaration of trust for charitable purposes and in therefore the immediate controlling party Wilmington Trust SP Services (London) Limited is registered in England and Wales

The directors regard Barclays Bank Plc as the ultimate parent undertaking and the largest group into which the company is consolidated Copies of the consolidated financial statements of Barclays Bank Plc can be obtained by writing to the Company Secretary, Barclays Bank plc, 1 Churchill Place, Canary Wharf, London E14 5HP

# **CUMBERNAULD FUNDING HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 NOVEMBER 2009**

#### **17. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Cumbernauld Funding Holdings Limited Group

##### **Group**

The Group is a special-purpose group controlled by its Board of directors, which comprises three directors, Wilmington Trust SP Services (London) Limited, Mr M McDermott, and Mr S Masson. Mr M McDermott, a director of the Company, is also a director of Wilmington Trust SP Services (London) Limited. Included within the profit and loss account are management fees and accountancy fees charged by Wilmington Trust SP Services (London) Limited, a director of the company, totalling £10,423 (2008 £13,609) and £6,963 (2008 £6,987) respectively under a Corporate Services Agreement.

At 30 November 2009, £nil (2008 £nil) and £14,038 (2008 £25,788) relating to management fees and accountancy fees respectively were outstanding and included within creditors' amounts falling due within one year: accruals and deferred income.

No director received any remuneration for their services to the company (2008 £nil).

##### **Company**

The company was administered by Wilmington Trust SP Services (London) Limited throughout the year. Wilmington Trust SP Services (London) Limited, as trustee under a discretionary declaration of trust, is the sole shareholder of the company.

#### **18. POST BALANCE SHEET EVENT**

There were no significant post balance sheet events to report.

**CUMBERNAULD FUNDING HOLDINGS LIMITED****DETAILED PROFIT AND LOSS ACCOUNT (UNAUDITED)****FOR THE YEAR ENDED 30 NOVEMBER 2009**

	2009 £	2008 £
<b>Turnover</b>		
Distribution costs receivable	48,045	46,101
Distribution profits receivable	44,274	59,849
Issue costs receivable	<u>-</u>	<u>-</u>
	92,319	105,950
 <b>Administrative expenses</b>		
Amortisation of issue costs	-	-
Accountancy	6,963	6,987
Audit	21,150	21,050
Management fee	10,423	13,609
Cash manager fees	-	-
Professional fees	5,875	5,750
Bad debts (intercompany balance written off)	<u>20,423</u>	<u>-</u>
	<u>(64,834)</u>	<u>(0)</u>
 <b>Operating profit</b>	27,485	105,950
 Loss on disposal of investment	(19,047)	
Interest receivable on loan notes	20,144,654	27,231,336
Bank interest receivable	663	10,642
Interest payable on loan notes	(20,144,654)	(27,231,336)
Interest on late tax	<u>(2,745)</u>	<u>(226)</u>
 <b>Profit on ordinary activities before taxation</b>	<u>6,356</u>	<u>116,592</u>